

**PROPERTY ASSESSMENT APPEAL BOARD  
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2021-077-00419I

Parcel No. 080/08015-001-000

**Mark Charles Daggy (Lee Ann Daggy),**

Appellant,

vs.

**Polk County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on April 22, 2022. Mark Daggy represents the title holder Lee Ann Daggy. Assistant Polk County Attorney Dominic Anania represents the Board of Review.

Lee Ann Daggy owns a commercially classified property located at 1541 7th Street, Des Moines, Iowa. Its January 1, 2021, assessment was set at \$234,000, allocated as \$17,900 in land value and \$216,100 in building value. (Exs. A & B).

Daggy petitioned the Board of Review claiming the property is assessed for more than the value authorized by law; that there is an error in the assessment, and that there is fraud or misconduct in the assessment. Iowa Code § 441.37(1)(a)(1)(b, d, & e) (2021). (Ex. C). The Board of Review denied the petition. (Ex. B).

Daggy then appealed to PAAB with the single claim that his property is assessed for more than the value authorized by law. § 441.37(1)(a)(1)(b).

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

### **Findings of Fact**

The subject property is a two-story warehouse with a weighted age of 1917. It has 12,428 square feet of gross building area and 3600 square feet of concrete paving. The improvements are listed in normal condition with a 4+00 grade (average quality). The site is 0.465 acres. (Ex. A).

Daggy testified he and his wife bought the property in the mid-1980s for \$35,000 and re-sided the structure with metal. It is currently used by his wife's printing company. It was originally built as a horse barn where carriages were stored upstairs and the ponies housed on the main level. Daggy testified the building was over 134 years old, which would put it as a pre-1900's structure.

Daggy testified the building was in disrepair and submitted photos taken in March 2022 to support this opinion. (Exs. 2-3). The photos show significant water damage on the interior of the property. He replaced the roof twenty-three years ago. He does not believe he could sell the property for the assessed value of \$234,000. He does not believe the property is marketable as it exists today.

Daggy testified he called fee appraisers to value his buildings but they wanted \$20,000 to do so and he could not justify the expense. He did not offer any evidence of the subject's market value such as comparable sales adjusted for differences between them and the subject property, or any other professional analysis such as a comparable market analysis.

Daggy stated he asked the assessor's office to inspect the property but that did not occur. Austin Viggers is a commercial appraiser with the Polk County Assessor's Office. He explained that when he received the call from Daggy to come inspect the subject property, it was at the end of the informal protest period in April. As such, he informed Daggy that he may not be able to inspect the property because he had been assigned other informal reviews. Although he was not able to physically inspect the interior of the subject property, he did view it from the exterior.

At the time Daggy called during the informal review period, Viggers testified he had requested income and rental information because he was unaware it was an owner-occupied property. Viggers reviewed the cost approach and did a sales comparison approach as a secondary check to the subject's valuation. The cost approach indicated a value of \$270,600 and the sales comparison approach indicated a value no less than \$330,000. (Exs. D & E). Viggers explained the subject's 2021 assessed value was based on a 35% increase to all commercial properties in Polk County from the 2020 assessment. (Ex. K).

For the sales comparison analysis, Viggers analyzed six warehouse sales in the Des Moines area. (Exs. E-J, and N). The sales occurred between 2016 and 2020, with sales prices ranging from \$275,000 to \$800,000; or \$23.02 per square foot to \$53.33 per square foot. All of the sales were built between 1946 to 1960. Viggers explained these were the most similar sales in the Des Moines area he was able to find. After adjustments for various factors, the sales had indicated values ranging from \$27.13 per square foot to \$59.24 per square foot. The low end of this range suggests a market value for the subject over \$330,000. The subject's January 1, 2021 assessment is set at \$18.82 per square foot.

Immediately prior to the hearing, Viggers reviewed the photos submitted by Daggy. Viggers explained the normal condition rating assigned to the subject property is based on the subject's weighted effective age of 1917. Even if the condition were lowered to below-normal, he does not expect the indicated value by the sales comparison approach to be lower than the current assessed value of the subject property.

Viggers acknowledged the subject property is a two-story structure compared to the sales he relied upon. Viggers did not believe there was a reason to adjust the sales because of the story height. He asserts the sales he relied on are the most comparable sales in Des Moines, and noted the subject is a unique property.

### **Analysis & Conclusions of Law**

Daggy claims the subject property is assessed for more than the value authorized by law. § 441.37(1)(a)(1)( b).

There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted). When the taxpayer “offers competent evidence that the market value of the property is different than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation.” Iowa Code § 441.21(3). To be competent evidence, it must “comply with the statutory scheme for property valuation for tax assessment purposes.” *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 782 (Iowa 2009) (citations omitted).

In Iowa, property is to be valued at its actual value. § 441.21(1)(a). Actual value is the property’s fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm’s-length sale of the property. *Id.* “Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value.” *Id.*

In an appeal alleging the property is assessed for more than the value authorized by law under section 441.37(1)(a)(1)(a), the taxpayer must show: 1) the assessment is excessive and 2) the subject property’s correct value. *Soifer*, 759 N.W.2d at 780 (citation omitted). Other than photographs of the subject, Daggy did not offer any evidence of the subject’s market value that complies with section 441.21, such as an

appraisal or a comparative market analysis. We agree these photographs indicate condition issues regarding the property, but without evidence of value, we cannot conclude the assessment is excessive or the property's correct value. This is necessary evidence to support an over assessment claim.

We understand modifying the subject's condition rating may not change to the assessment, but we suggest the Assessor's office consider a prospective change to ensure the property is correctly listed moving forward. Moreover, we believe the parties should continue to monitor the market to determine whether additional obsolescence might be warranted.

Because Daggy failed to offer any evidence of value, however, we find he has not demonstrated the property is assessed for more than the value authorized by law.

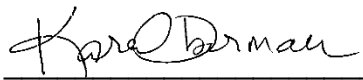
## **Order**

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2021).

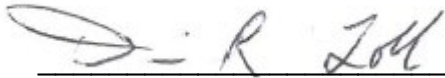
Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



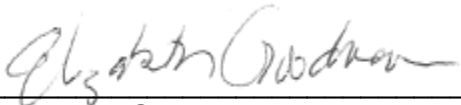
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Karen Oberman, Board Member



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Dennis Loll, Board Member



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Elizabeth Goodman, Board Member

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